

## Message Text

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63

ACTION EUR-12

INFO OCT-01 EA-10 ISO-00 AID-05 CIAE-00 EB-07 FRB-01

INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04 OPIC-06 SP-02

CIEP-02 LAB-04 SIL-01 OMB-01 DODE-00 PA-02 PRS-01

ABF-01 FSE-00 /082 W

----- 127247

R 302156Z MAY 75

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 1534

INFO AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

AMEMBASSY THE HAGUE

AMEMBASSY TOKYO

AMCONSUL BELFAST

AMCONSUL EDINBURGH

USMISSION EC BRUSSELS

USMISSION OECD PARIS

USDOC WASHDC

UNCLAS LONDON 08176

DEPARTMENT PASS TREASURY AND FRB

E.O. 11652:N/A

TAGS: ECON, UK

SUBJECT: ECONOMIC DEVELOPMENTS - WEEK ENDING MAY 30

BEGIN SUMMARY: NO NEWS IS NOT NECESSARILY GOOD NEWS. IN-  
FLATION AND RECESSION CONTINUE IN THE UK, DESPITE THE LACK

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OF CONFIRMING EVIDENCE THIS WEEK. WAGE RATES CONTINUE TO

BE THE MAIN PRESSURE ON PRICES. ATTENTION IS NOW CENTERED ON THE REFERENDUM OVER EC MEMBERSHIP WHICH TAKES PLACE ON THURSDAY, JUNE 5. END SUMMARY

1. CONSUMPTION. REVISED FIGURES FOR REAL CONSUMER EXPENDITURE IN THE FIRST QUARTER SHOW A SLIGHT FALL (0.3 PERCENT) FROM THE FOURTH QUARTER. THE PREVIOUS ESTIMATE SHOWED A SLIGHT RISE. THE BASIC FACT OF STAGNANT CONSUMPTION EXPENDITURE REMAINS.

2. HOUSING. NEW BUILDING ORDERS TO CONTRACTORS FELL BY 16 PERCENT IN THE FIRST QUARTER OVER THE FOURTH QUARTER OF 1974.

3. EXCHANGE RATE AND GOLD:

	5/22	5/29	CHANGE
EXCHANGE RATE	\$2.3280	\$2.3170	DOWN \$0.0110
EFFECTIVE DEPRECIATION			
(PERCENT)	24.6	24.8	WIDENED 0.2
GOLD	\$174.50	\$168.25	DOWN \$6.25

4. FORWARD DISCOUNT ON STERLING:

	5/22	5/29	CHANGE
1 MONTH	0.85	0.93	UP 0.08
3 MONTHS	2.85	2.90	UP 0.05
6 MONTHS	5.85	5.90	UP 0.05

(ALL FIGURES IN CENTS)

5. EURODOLLAR INTEREST RATES:

	5/22	5/29	CHANGE
1 MONTH	5-5/8	5-3/8	DOWN 1/4
3 MONTHS	6	5-7/8	DOWN 1/8
6 MONTHS	7	6-7/8	DOWN 1/8

6. LOCAL AUTHORITY DEPOSIT RATES:

	5/22	5/29	CHANGE
1 MONTH	9-5/8	9-9/16	DOWN 1/16
3 MONTHS	10-1/8	10-1/16	DOWN 1/16
6 MONTHS	10-1/2	10-7/8	UP 3/8

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7. THE MINIMUM LENDING RATE REMAINED UNCHANGED AT 10 PERCENT ON FRIDAY, MAY 30, 1975.

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ECONOMIC DEVELOPMENT  
**Control Number:** n/a  
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**Draft Date:** 30 MAY 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Executive Order:** N/A  
**Errors:** N/A  
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**Original Previous Handling Restrictions:** n/a  
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**Review Action:** RELEASED, APPROVED  
**Review Authority:** CunninFX  
**Review Comment:** n/a  
**Review Content Flags:** ANOMALY  
**Review Date:** 31 JUL 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <31 JUL 2003 by BalzMJ>; APPROVED <26 JAN 2004 by CunninFX>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
05 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** ECONOMIC DEVELOPMENTS - WEEK ENDING MAY 30 BEGIN SUMMARY: NO NEWS IS NOT NECESSARILY GOOD NEWS. IN-  
**TAGS:** ECON, UK  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006